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UNITED STATES OF AMERICA

FILED
BILLINGS DIV.

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PATRICK E. DUFFY, CLERK

BY *Patrick E. Duffy*
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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MONTANA
BILLINGS DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

THOMAS W. LAMBERT and
SANFORD WASSERMAN,

Defendants.

CR 04-20 -BLG- RFC

INDICTMENT

CONSPIRACY (Count I)

Title 18 U.S.C. § 371

(Penalty: Five years imprisonment, \$250,000 fine, and three years supervised release)

TRANSPORTATION OF OBSCENE MATTERS
(Counts II- VII)

Title 18 U.S.C. § 1462

(Penalty: Five years imprisonment for a first offense, ten years imprisonment for any such offense thereafter, \$250,000 fine, and three years supervised release)

LAUNDERING OF MONETARY INSTRUMENTS
(Count VIII)

Title 18 U.S.C. § 1956(h)

(Penalty: Twenty years imprisonment, \$500,000 fine, and five years supervised release)

FORFEITURE (Count IX)

Title 18 U.S.C. §§ 982 and 1467

THE GRAND JURY CHARGES:

COUNT I

That beginning on or about October 27, 1998, and continuing to on or about December 10, 2002, in Lavina and elsewhere, in the District of Montana, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, did knowingly conspire with one another to commit offenses against the United States, that is knowingly using an express company or other common carrier, for carriage in interstate commerce, of obscene matters, namely, video tapes, in violation of 18 U.S.C. § 1462.

PURPOSE AND OBJECT OF THE CONSPIRACY

It was the purpose and object of the conspiracy to engage in the business of selling and distributing obscene video tapes, for the personal gain, benefit, profit and advantage of the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN.

MANNER AND MEANS OF THE CONSPIRACY

It was part of the conspiracy that the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, formed, managed and operated certain business entities under a variety of names including, but not limited to, Pet Tec, the PT Company, Digital Technology, New Technology, Brightstar, LeMons, Mount Venus, and Princeton.

It was further part of the conspiracy that the defendants THOMAS W. LAMBERT and SANFORD WASSERMAN, would and did distribute and mail catalogs advertising obscene video tapes, and take orders for, sell and facilitate the distribution of those same obscene video tapes.

It was further part of the conspiracy that potential customers would receive catalogs and would and did place orders for the obscene video tapes.

It was further part of the conspiracy that the defendants THOMAS W. LAMBERT and SANFORD WASSERMAN, would and did duplicate obscene video tapes in order to fill customer mail orders.

It was further part of the conspiracy that, after duplication, defendants THOMAS W. LAMBERT and SANFORD WASSERMAN, would and did distribute the obscene video tapes by using express carriers and other common carriers to their customers throughout the United States.

It was further part of the conspiracy that the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, would and did enable customers to pay the purchase cost for the obscene video tapes with cash, checks, and money orders.

It was further part of the conspiracy that defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, would and did deposit and cause to be deposited, into bank accounts they owned and controlled, payments from customers who had purchased obscene video tapes.

OVERT ACTS

In furtherance of the conspiracy and to achieve its objects, one or more of the members of the conspiracy committed the following overt acts, among others, in the District of Montana and elsewhere, on or about the following dates:

- a. On or about November 11, 2001, the defendant, SANFORD WASSERMAN, drafted a letter responding to a customer's complaint regarding the quality of the videotape entitled "BDG-102: John Holmes Rex - Lust for Pussy" and instructed the defendant, THOMAS W. LAMBERT, to send the letter to the customer.

b. Between on or about December 28, 2001, and on or about February 19, 2002, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, accepted an order for video tape copies of "D-101: From Hungary with Love" and "D-106: The Best of the Best" and accepted payment in the form of a postal money order sent by the United States Postal Inspection Service.

c. Between on or about December 28, 2001, and on or about February 19, 2002, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, caused a copy of the video tapes named "D-101: From Hungary with Love" and "D-106: The Best of the Best" to be addressed and sent from the District of Montana to an address in College Station, Texas, using Federal Express.

d. Between on or about March 20, 2002, and on or about April 29, 2002, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, accepted an order for video tape copies of "MV-115: Rape and Sodomize" and "MV-120: Physically Raped" and accepted payment in the form of a cashier's check sent by the United States Postal Inspection Service.

e. Between on or about March 20, 2002, and on or about April 29, 2002, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, caused a copy of the video tapes named "MV-115: Rape and Sodomize" and "MV-120: Physically Raped" to be addressed and sent from the District of Montana to an address in Clackamas, Oregon, using Federal Express.

f. On or about April 15, 2002, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, caused a copy of the video tape "BDG-102:

John Holmes Rex - Lust for Pussy" to be addressed and provided to Federal Express for carriage in interstate commerce to Topaz, California.

g. Between on or about April 24, 2002, and on or about May 13, 2002, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, accepted an order for a video tape copy of "XXX-101: Mary's Video" and accepted payment in the form of a cashier's check sent by the United States Postal Inspection Service.

h. Between on or about April 24, 2002, and on or about May 13, 2002, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, caused a copy of the video tape "XXX-101: Mary's Video" to be addressed and sent from the District of Montana to an address in Clackamas, Oregon, using Federal Express.

i. Between on or about October 27, 1998, and on or about December 10, 2002, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, accepted one or more orders for, and caused one or more copies of the video tape named "EX-110: Nightmare Nurses" to be addressed and sent from the District of Montana to another state, using an express carrier or other common carrier.

j. Between on or about October 27, 1998, and on or about December 10, 2002, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, accepted one or more orders for, and caused one or more copies of the video tape named "EX-111: Master Keith" to be addressed and sent from the District of Montana to another state, using an express carrier or other common carrier.

k. Between on or about October 27, 1998, and on or about December 10, 2002, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, accepted one or more orders for, and caused one or more copies of the video tape

named "GSA-107: Anything Goes" to be addressed and sent from the District of Montana to another state, using an express carrier or other common carrier.

l. Between on or about October 27, 1998, and on or about December 10, 2002, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, accepted one or more orders for, and caused one or more copies of the video tape named "PRC-101: Dick Torture" to be addressed and sent from the District of Montana to another state, using an express carrier or other common carrier.

m. Between on or about October 27, 1998, and on or about December 10, 2002, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, accepted one or more orders for, and caused one or more copies of the video tape named "PS-143: Ur-A-Peen" to be addressed and sent from the District of Montana to another state, using an express carrier or other common carrier.

All in violation of 18 U.S.C. § 371.

COUNT II

That between on or about December 28, 2001, and on or about February 19, 2002, in Billings in the District of Montana, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, knowingly used an express company or other common carrier, for carriage in interstate commerce, obscene matter, that is, a video tape identified as "D-101: From Hungary with Love", all in violation of Title 18, United States Code, Section 1462.

COUNT III

That between on or about December 28, 2001, and on or about February 19, 2002, in Billings in the District of Montana, the defendants, THOMAS W. LAMBERT

and SANFORD WASSERMAN, knowingly used an express company or other common carrier, for carriage in interstate commerce of obscene matter, that is, a video tape identified as "D-106: The Best of the Best", all in violation of 18 U.S.C. § 1462.

COUNT IV

That between on or about March 20, 2002, and on or about April 29, 2002, in Billings in the District of Montana, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, knowingly used an express company or other common carrier, for carriage in interstate commerce of obscene matter, that is, a video tape identified as "MV-115: Rape and Sodomize", all in violation of 18 U.S.C. § 1462.

COUNT V

That between on or about March 20, 2002, and on or about April 29, 2002, in Billings in the District of Montana, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, knowingly used an express company or other common carrier, for carriage in interstate commerce of obscene matter, that is, a video tape identified as "MV-120: Physically Raped", all in violation of 18 U.S.C. § 1462.

COUNT VI

That on or about April 15, 2002, in Billings in the District of Montana, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, knowingly used an express company or other common carrier, for carriage in interstate commerce of obscene matter, that is, a video tape identified as "BDG-102: John Holmes Rex - Lust for Pussy", all in violation of 18 U.S.C. § 1462.

COUNT VII

That between on or about April 24, 2002, and on or about May 13, 2002, in Billings in the District of Montana, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, knowingly used an express company or other common carrier, for carriage in interstate commerce of obscene matter, that is, a video tape identified as "XXX-101: Mary's Video", all in violation of 18 U.S.C. § 1462.

COUNT VIII

That beginning on or about October 27, 1998, and continuing to on or about December 10, 2002, in Lavina and elsewhere in the District of Montana, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, did knowingly, intentionally and unlawfully conspire together with one another, and with persons both known and unknown to the grand jury, to commit certain offenses against the United States, that is:

1. To knowingly and willfully conduct and attempt to conduct financial transactions involving property representing the proceeds of a specified unlawful activity, that is, the use of an express carrier or other common carrier, for carriage in interstate commerce, obscene material, all as set forth in Counts One through Seven above, the allegations of which are incorporated herein in full by reference, contrary to the provisions of 18 U.S.C. § 1462 and
2. With the intent to promote the carrying on of the specified unlawful activity, in violation of 18 U.S.C. § 1956(a)(1)(A)(i).

MANNER AND MEANS OF THE CONSPIRACY

It was part of the conspiracy that the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, would and did advertise for sale obscene video tapes.

It was further part of the conspiracy that the defendants would and did accept orders and payments from customers for obscene video tapes.

It was further part of the conspiracy that the defendants would and did deposit into certain bank and credit union accounts the payments received from customers who ordered the obscene video tapes.

It was further part of the conspiracy that the defendants would and did use an express carrier or other common carrier, for carriage in interstate commerce, the obscene video tapes ordered by the customers.

OVERT ACTS

In furtherance of the conspiracy and to effect the objects thereof, the following overt acts were committed within the District of Montana and elsewhere:

a. Between on or about December 28, 2001, and on or about February 19, 2002, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, deposited a postal money order in the amount of \$298.00 into an account at Valley Federal Credit Union, which represented the proceeds of an unlawful activity.

b. Between on or about March 20, 2002, and on or about April 19, 2002, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, deposited a cashiers' check in the amount of \$284.00 into an account at U.S. Bank, which represented the proceeds of an unlawful activity.

c. Between on or about April 24, 2002, and on or about May 13, 2002, the defendants, THOMAS W. LAMBERT and SANFORD WASSERMAN, deposited a cashiers' check in the amount of \$575.00 into an account at U.S. Bank, which represented the proceeds of an unlawful activity.

All in violation of 18 U.S.C. § 1956(h).

COUNT IX

FORFEITURE ALLEGATIONS

1. Pursuant to Title 18, United States Code, Section 1467, each defendant who is convicted of one or more of the offenses alleged in counts One through Seven of this Indictment, shall forfeit to the United States pursuant to, all obscene material produced, transported, mailed, shipped and received, and all property, real or personal, constituting or traceable to gross profits or other proceeds obtained from such offenses, and all property, real or personal, used or intended to be used to commit or to promote the commission of such offenses, including but not limited to the following:

a. A sum of money equal to \$410,580.00 in United States currency, representing the amount of proceeds obtained as a result of the offenses, for which the defendants are jointly and severally liable.

b. All that lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements, located at 946 Dean Creek Road, Lavina, Montana 59046, more particularly described as: Musselshell County, Township T06NR24E, and legal description RLC Lot 436 S2E2 C/S 1975-S IN SESW.

c. A Subaru Forrester bearing license plate number MT 23-A2639.

2. Pursuant to Title 18, United States Code, Section 982(a)(1), each defendant who is convicted of the offense set forth in Count Eight shall forfeit to the United States the following property:

a. All right, title, and interest in any and all property involved in each offense in violation of 18 U.S.C. § 1956, or conspiracy to commit such offense, for which the defendant is convicted, and all property traceable to such property, including the following: 1) all money or other property that was the subject of each transaction, transportation, transmission or transfer in violation of Section 1956; 2) all commissions, fees and other property constituting proceeds obtained as a result of those violations; and 3) all property used in any manner or part to commit or to facilitate the commission of those violations.

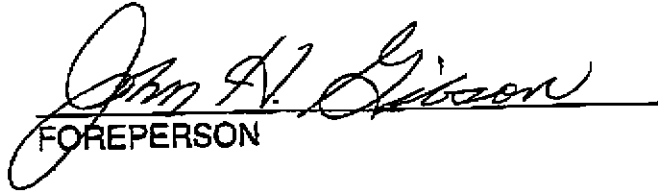
b. A sum of money equal to the total amount of money involved in each offense, or conspiracy to commit such offense, for which the defendant is convicted. If more than one defendant is convicted of an offense, the defendants so convicted are jointly and severally liable for the amount involved in such offense.

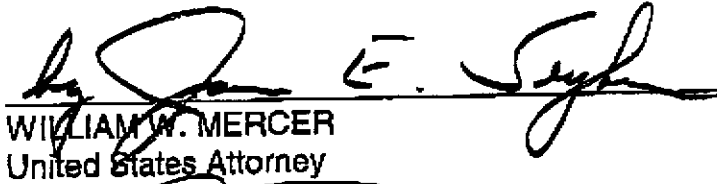
3. Pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b), each defendant shall forfeit substitute property, up to the value of the amount described in paragraph 2, if, by any act or omission of the defendant, the property described in paragraph 2, or any portion thereof, cannot be located upon the exercise of due diligence; has been transferred, sold to or deposited with a third party; has been placed beyond the jurisdiction of the court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty.

All in accordance with 18 U.S.C. §§ 1467 and 982(a)(1), and Rule 32.2(a),

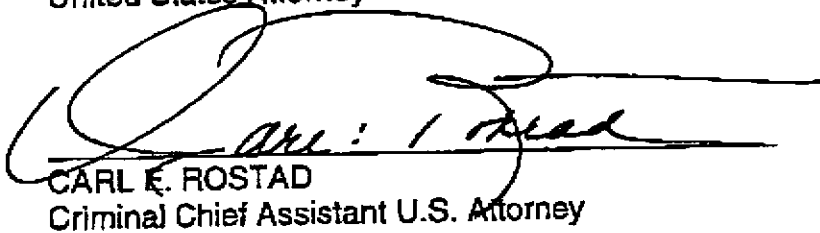
Federal Rules of Criminal Procedure.

A TRUE BILL.


FOREPERSON


WILLIAM W. MERCER
United States Attorney

Crim. Summons ☒
Warrant: ☐
Bail: ☐


CARL E. ROSTAD
Criminal Chief Assistant U.S. Attorney

Rtn before RWA
in Bldg on 3/25/04
@ 11:00 am